GOVERNMENT OF INDIA
ENVIRONMENT AND FORESTS
LOK SABHA

UNSTARRED QUESTION NO:926
ANSWERED ON:25.11.2002
REPORT ON PROMOTING ENVIRONMENTALLY ACCEPTABLE FUELS THROUGH FISCAL MAJORS
CHANDRA NATH SINGH;GADDE RAMAMOHAN;M.V.V.S MURTHI;SADASHIVRAO DADOBA MANDLIK

Will the Minister of ENVIRONMENT AND FORESTS be pleased to state:

(a) whether the Government have received the report on `Promoting Environmentally Acceptable Fuels Through Fiscal Majors` from the Environment Pollution (Prevention and Control) Authority;

(b) if so, the details of the recommendations made in this regard;

(c) whether the Government have since examined the recommendations;

(d) if so, the details of the recommendations accepted by the Government and further action taken thereon; and

(e) the reasons for not accepting all the recommendations?

Answer

MINISTER OF ENVIRONMENT AND FORESTS (SHRI T. R. BAALU)

(a) Yes, Sir.

(b) The main recommendations of the Environment Pollution (Prevention and Control) Authority are as follows :

(i) The Government of India must frame a fiscal policy to allow for higher price competitiveness for environmentally acceptable fuels with the competing conventional fuels.

(ii) Taxation policy should be designed in a manner that an appropriate and effective price differential is maintained between CNG and diesel.

(iii) Government should provide a tax break on CNG for a certain period of time.Subsequently, differential taxation should be phased in.

(iv) Government must urgently formulate a policy to promote environmentally acceptable fuels for the transport sector like CNG by using economic instruments to maintain the critical differential between environmentally acceptable and conventional fuels.

(c)to(e) No final decision on the recommendations has been taken as yet.